

National Intelligence Bulletin

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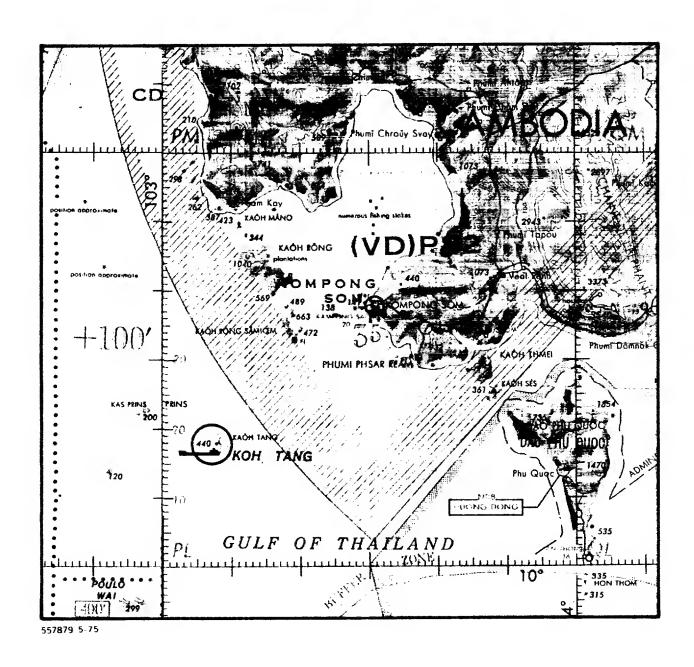
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CAMBODIA

The Khmer communists are continuing to direct small arms fire both from their naval craft and Koh Tang Island against US aircraft flying over the Mayaguez.

Yesterday, the Khmer communists apparently increased their naval forces near the Mayaguez to several patrol vessels. At least three of these boats have been sunk or damaged by US aircraft.

	The Mayagu	ıez is	anchored	about	300	yards	off	Koh
Tang	Island.							

Moscow, in a Tass dispatch yesterday, noted the movement of a US naval task force toward the Gulf of Thailand. It added that the Mayaguez, "according to some reports, was engaged in intelligence activities."

In the first public Chinese response to the incident, Vice Premier Teng Hsiao-ping has told newsmen in Paris "there is nothing that China could do" should the US elect to use force to free the ship and crew. Teng said he was unaware of a possible Chinese mediatory role.

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LAOS

General Khammouane Boupha, the communist acting defense minister, is continuing efforts to bring all non-communist military forces under Pathet Lao control. Royal Lao Army units, in line with orders from Khammouane Boupha, Prime Minister Souvanna, and nominal army chief Bounpone, reportedly are offering no resistance.

Khammouane Boupha and other Pathet Lao officials in Vientiane are also attempting to regulate the country's commercial activities as well as the movement of foreign-They recently ordered that:

- --business establishments which fail to reopen promptly will be closed permanently and "claimed" by the government;
- --free-market conversions of foreign currency are forbidden, and violators will be arrested and their money confiscated;
- --no merchants may freely raise the price of merchandise, and all prices must be posted;
- --all foreigners attempting to leave Laos must have proper border passes or exit visas, must depart from "designated points," and must not take food, "goods," or other "essential" items with them.

The tone of these regulations is much harsher than anything non-communist Lao have known in the past and, in the US embassy's judgment, probably are harbingers of even more stringent controls to come.

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General Vang Pao left Long Tieng early today for exile in Thailand. At a meeting yesterday with an International Control Commission delegation at Long Tieng, he refused to go to Vientiane to meet with Souvanna and Khammouane Boupha. Vang Pao said, however, that he accepted the Prime Minister's call for his resignation and planned to offer no further resistance.

* * * *

Pathet Lao - inspired civil unrest in the southern rightist stronghold of Pakse has apparently ended, with the coalition government agreeing to virtually all of the protesters' demands. Those demands included the designation of southern Laos as a "neutralized" area under the direct administration of the coalition and the formal ouster of nearly two dozen senior rightist civilian and military officials--including Prince Boun Oum na Champassak, who has already fled to Thailand.

Meanwhile, the situation in the Mekong River city of Savannakhet--another rightist stronghold--remains volatile, and the town could easily follow the course of events in Pakse.

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SOUTH KOREA

President Pak issued a sweeping new emergency decree yesterday in an effort to silence his domestic opponents.

The decree bans any criticism of the authoritarian 1972 constitution, the spreading of "false rumors," all political student activity, and any statement against the decree itself. Members of parliament are exempted from punishment for criticism expressed while on the National Assembly floor, but the public media are prohibited from publicizing any such statements.

The new decree makes sense from Pak's perspective. He has long wanted to disarm his domestic opponents, who have challenged his increasingly authoritarian rule in recent years. Pak is also concerned about North Korean plans to foster "revolution" in the South. He has apparently concluded that it is more important for him to maintain strong defenses against his enemies at home and in the North than to satisfy foreign critics of his human rights policies, including US Congressmen.

The new decree is in line with a recent trend toward tougher domestic controls by the Pak government, but the comprehensive sweep of the new measure has surprised many observers. It comes at a time when Pak's most vocal opponents have been closing ranks in support of the regime in order to avoid giving a wrong signal to the North in the wake of Indochina events and North Korean President Kim Il-song's visit to Peking.

Pak's adversari	ies are unlikely soon to move force-
fully to challenge t	the decree. They fear imprisonment,
they need time to re	egroup and assess the US reaction, and
they do not want to	appear irresponsible in the current
mood of uncertainty	about Pyongyang's intentions. The
new measures appear	certain, however, to become volatile
issues eventually.	

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PORTUGAL

Rumors are circulating in Lisbon of impending changes in the upper echelons of the armed forces and the Revolutionary Council.

General Mendes Dias, chief of staff of the air force and a moderate member of the Revolutionary Council, will be removed soon,

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Mendes Dias has appeared to be out of step with radical elements in the air force as he sought to reassert the authority of the traditional chain of command, which has been seriously undermined by radical officers and the "sergeants' committees" formed since the coup attempt on March 11. There have also been suggestions that he might have been linked to the March 11 plot.

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Rumors of personnel changes have also focused on the top levels of the government.

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claims that a power play is under way to replace President Costa Gomes with Admiral Rosa Coutinho. Coutinho has also been touted as a potential replacement for Prime Minister Goncalves, whose position has allegedly been weakened by the moderates' election victory last month.

Admiral Rosa Coutinho apparently has the support of a growing number of radical activists in the Armed Forces Movement and obviously has his eye on one of the top posts. Both President Costa Gomes and Prime Minister Goncalves may be too closely linked to civilian politicians--Costa Gomes to the Socialists and Goncalves to

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the Communists--in the view of those Movement officers who are disenchanted with the squabbling of the civilian politicians and prefer military domination of the government.

Rosa Coutinho, whose opposition to close cooperation with either party is well known, would be a likely alternative to either man. As a naval officer, however, he may not yet have sufficient support among the army and air force officers who dominate the Revolutionary Council.

One sign that changes may be under way is the recent disbandment of the 7th Cavalry Regiment and the involuntary retirement of 35 cavalry officers considered politically unreliable by the Revolutionary Council. The 7th Cavalry, which is located close to the President's palace and serves to protect him in time of crisis, has always been suspect to leftists in the Armed Forces Movement. Among the 35 cavalry officers who have been retired are four active moderates who are currently in prison because of suspicion of having been involved in the coup attempt in March.

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NEW ZEALAND - SINGAPORE

Acting Prime Minister Tizard announced on May 6 that Wellington plans to withdraw most of its 1,200-man force from Singapore.

Although the exact timing was left vague, Tizard stated that the pullout would be gradual, probably phased over the next two years. Major departures are not expected for about a year.

New Zealand's only full-strength infantry battalion is included in the Singapore contingent. A liaison group and some air defense advisers are expected to remain. An escort naval ship will continue to be stationed in Singapore, but at less frequent intervals.

The withdrawal announcement probably signals that Wellington does not intend to undertake the management role and that it is abandoning the past policy of maintaining a credible regional military presence.

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CZECHOSLOVAKIA-YUGOSLAVIA

The military parades held in Czechoslovakia and Yugoslavia on May 9 in commemoration of the 30th anniversary of the end of World War II in Europe provided a gauge of their respective modernization programs. In both cases they indicated concern for an upgrading of air defense capabilities.

The most significant items displayed in both parades were Soviet-produced surface-to-air missile systems--the SA-4, SA-6, and SA-7 in Czechoslovakia and the SA-3, SA-6, and SA-7 in Yugoslavia. Although some of the newly observed equipment in the Prague parade is suspected to be on loan from the Soviets, the incorporation of the new systems into the existing family of air defense weapons will significantly improve the air defense systems of both countries. Other newly acquired equipment included the Soviet-produced 122-mm. self-propelled howitzer displayed in the Prague parade, and the Frog-7 tactical surface-to-surface rocket system and the KA-25 Hormone antisubmarine helicopter in Belgrade.

The impressive array of modern Soviet-produced equipment observed reflects Moscow's military interest in enhancing military ties with these countries.

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